Secn. II-67—100,000—21-8-48.

Development (1948) Department

MS 18 SERIES

G.O. No. 5673

Dated 17-08-1948

[Despatch Abstract.]

Cooperative Societies - Weavers Societies Supervision

Government staff - Recovery of cost - Orders passed.

GOVERNMENT OF MADRAS

Abstract

Co-operative Societies - weavers Societies - Supervision - Government staff - Recovery of cost - Orders passed.
@ @ @ @

Development Department.

Memo. No. 134896-BIII/48-2, dated 8-1-49.

Sub: Co-operative Societies - Weavers' Societies - Supervision - Government staff - Recovery of cost.

Ref: Letter from the Registrar of Co-operative Societies No.Rc.14565/47-A.2 dated 10-12-1948.

The presumption of the Registrar of Co-operative Societies that supervision charges at the prescribed rate should be levied from weavers' societies on the basis of the profits earned by them for the Co-operative year ending 30-6-1949, is correct.

Sd. x x x
4-1-1949.

To the Registrar of Co-operative Societies
To the Accountant General through Finance Department
(with a copy of letter at p. 1 above)

/Teue Copy/

COOPERATIVE DEPARTMENT.

From
Sri J.C. Ryan, M.A.,
Registrar of Co-operative Societies,
Chepauk, M a d r a s.

To
The Secretary to Government,
Development Department,
Fort St. George, MADRAS.

No. Rc. 77728/49 K.2. Dated, 5-12-49.

Sir,

Sub: Weavers Co-operative Societies - Supervision by Government Staff - Recovery of cost - Interim reply - sent.

Ref: 1. My letter Rc.14565/47 K.2, dated 19-3-48.
2. G.O.(Ms)No.5673, (Development Department) dated 17-11-48.
Government Memo.No. 134996/ BIII/48-2, dated 8-1-49.

*** *** ***

In the G.O. cited as No. 2 above, Government were pleased to approve my proposals pelating to the levy of supervision fees on such of the ew weavers Cooperative Societies in the province as worked at a profit at 2 per cent of the net profits subject to a maximum of Rs.500 in each case to meet a part of the cost of the staff for supervision of weavers societies and asked me to review the position and submit a report to them by 1-12-49. In their third cited memorandum, they also ordered that the supervision fees at the prescribed rates should be levied on the basis of the profits earned by them for the cooperative year ending 30-6-49. In pursuance of these instructions, I asked the Deputy Registrars to make all arrangements necessary to complete the final audit and the issue of the audit certificates in respect of all the weavers societies for the year 48-49 by 30-9-49 so that the total amount of supervision fees that should be collected at the prescribed rates could be assessed correctly. I find from the latest progress reports furnished by the officers that out of 948 societies in the province on 30-6-49, the audit of 592 societies was over. The audit Certificates have been issued in respect of 314 societies. It is represented to me that the final audit of the institutions has not been as rapid as was expected due to the following reasons:

1. The transactions of a large number of societies which took up the distribution of yarn to weavers outside the cooperative fold under the scheme of yarn distribution sanctioned by Government had increased to a very great extent. The volume of accounts to be audited was very heavy.

2. Instructions were issued to such of the societies as undertook the distribution of yarn to non-members to allot 60 per cent of the net profits earned on account of the increased business to Reserve Fund in order to conserve the profits for meeting unforeseen losses in future years. Such socities were advised to adopt a transitory by law in this regard in their respective general body meetings. The formalities connected with the adoption of the transitory by law take time.

3. Test audit of some of these societies has to be conducted with a view to prevent, slipshod audit and ensure efficiency of check.

4. It is not desirable to force on the societies which are entitled to free audit, auditors under Fundamental Rule 127. In view of the representations, I have issued further instructions to the Deputy Regisrars that they should arrange to complete the final audit of all the societies and issue the audit certificates before 15-12-49 and submit their final reports

/2..

in this regard to me before 31-12-49. I have also instructed them to see that the supervision fees at the prescribed rates are levied and collected from the societies as soon as the audit certificates are issued. I am watching the work of the officers closely and shall send my final report on the position relating to the amount recoverable from the institutions towards supervision fees by 1-2-1950.

Sd. x x x
For Registrar.

/True Copy/

for Superintendent,
15-8-1953,
MADRAS RECORD OFFICE.

19/8

ss/29-7.